

# Pharmaceutical Company Payments to Healthcare Professionals and Healthcare Organizations in Canada: An Observational Study

## Paiements des entreprises pharmaceutiques aux professionnels de la santé et aux organisations de soins de santé au Canada : une étude observationnelle



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### Abstract

Starting in 2017, retroactive to 2016, Innovative Medicines Canada (IMC) – the lobby group representing most of the large research-based pharmaceutical companies operating in Canada – initiated a voluntary system for companies to annually report on payments that they make to healthcare providers and organizations. Over the five years that the system has been in operation, 10 companies reported spending almost \$345 million. The largest payments were to healthcare providers. Four companies spent more than \$10 million in one or more years. The names of people and organizations receiving the payments and their purpose are not disclosed. Even if IMC makes disclosures mandatory for all its members, those reforms will not be enough to ensure transparency of company payments.

### Résumé

Depuis 2017, avec effet rétroactif sur 2016, Médicaments novateurs Canada (MNC) – le lobby représentant la plupart des grandes entreprises de recherche pharmaceutique en activité au Canada – propose aux entreprises un système volontaire de déclaration annuelle des

paiements qu'elles versent aux fournisseurs et aux organismes de santé. Au cours des cinq années de fonctionnement du système, 10 entreprises ont déclaré avoir dépensé près de 345 millions de dollars. Les paiements les plus importants étaient destinés aux fournisseurs de soins de santé. Quatre entreprises ont dépensé plus de 10 millions de dollars en une ou plusieurs années. Les noms des personnes et des organisations recevant les paiements ne sont pas divulgués, pas plus que ne le sont les objectifs visés. Même si MNC rendait les divulgations obligatoires pour tous ses membres, ces réformes ne suffiraient pas à assurer la transparence des paiements des entreprises.

## Introduction

Starting in 2017, retroactive to 2016, Innovative Medicines Canada (IMC) – the lobby group representing most of the large research-based pharmaceutical companies operating in Canada – initiated a voluntary system for companies to report annually on payments that they made in each of three categories: fees for healthcare professional (HCP) services, funding to healthcare organizations (HCOs) and sponsorship of Canadian HCPs' travel to international conferences (IMC 2021). The disclosures do not name HCPs or HCOs that received payments, the amounts that were given or the specific purpose of the payments.

When the disclosures started, 10 companies out of the then 45 in the organization's membership agreed to participate. The president of IMC said that the revelations were only the first step in increased transparency and that more companies were expected to disclose payments in the coming years (Grant 2017). However, since that time, there has not been any increase in the amount of information disclosed or in the number of companies participating.

Transparency and comprehensiveness in reporting of payments to HCPs and HCOs is important because it is required for investigating the effects of these payments on the practices and priorities of HCPs and HCOs. This study looks at the disclosures from 2016 to 2020, inclusive of the period, to examine total payments and payments by individual companies.

## Method

IMC does not collect and collate the individual company disclosures into a single database. Disclosures for 2016 to 2018 – inclusive of the period – were proactively collected from the websites of each of the participating companies when the disclosures were made public. A search for disclosures for 2019 and 2020 was conducted on July 21, 2021, and repeated on December 31, 2021. All companies except GlaxoSmithKline (GSK) only make their most recent report public. If 2019 reports were not found on the companies' website, then the Wayback Machine or websites cached in Google search results were used to try to find reports. If those searches were unsuccessful, then companies were contacted directly by phone.

Amounts and the purpose of the payments were entered into an Excel spreadsheet. All amounts are in Canadian dollars. Only descriptive data are reported.

As all the data were publicly available, ethics approval was not required.

## Results

Data were complete for all 10 companies for 2016 to 2018 and for 2020. Reports for 2019 were available on the websites for six companies and were retrieved using the Wayback Machine for two companies and cached Google search results for one company. One company was contacted by phone, and it provided the requested information.

Total annual payments by the 10 companies continued to increase from 2016 to 2019, peaking at \$78,011,769 in 2019, but dropped to \$66,645,686 in 2020. In the first four years, payments to HCPs were the largest category of expenditure, but were smaller than payments to HCOs in 2020: \$27,731,966 versus \$38,248,515, respectively. Payments by all companies over all five years totalled \$344,397,082 (Table 1).

**TABLE 1.** Yearly payments by category and total from 2016 to 2020\*

Year		2016	2017	2018	2019	2020	Total
Number of companies reporting		10	10	10	10	10	
Category of spending	Fee for HCP services	29,405,492	40,800,836	42,350,594	42,194,518	27,731,526	182,482,966
	Funding to HCOs	17,437,126	32,186,088	32,156,149	33,959,672	38,248,515	153,987,550
	Sponsorship of Canadian HCPs' travel	1,540,025	1,827,082	2,036,235	1,857,579	665,645	7,926,566
	Total	48,382,643	74,814,006	76,542,978	78,011,769	66,645,686	344,397,082

\*Amounts in Canadian dollars.

From 2016 to 2020, AbbVie and Novartis were the leading spenders at \$60,189,119 and \$48,202,003, respectively (Table 2). Four companies reported spending a total of more than \$10 million in one or more years. Bristol Myers Squibb, Eli Lilly and GSK did not make any payments for travel in any year. Purdue only made travel payments in 2016 and Merck made no travel payments in 2020 (data not shown).

**TABLE 2.** Overall company spending by year\*

	AbbVie	Amgen	Bristol Myers Squibb	Eli Lilly	Gilead	GSK	Merck	Novartis	Purdue	Roche
2016	6,445,000	5,781,000	3,825,380	1,938,191	2,310,418	2,134,820	9,410,667	4,895,217	3,062,000	8,579,950
2017	13,017,000	10,858,910	7,272,710	5,876,870	5,138,171	2,618,198	9,107,905	10,796,345	2,305,019	7,822,878
2018	13,338,000	10,988,899	5,761,004	6,798,596	4,153,188	3,496,982	8,735,483	12,313,470	1,819,667	9,137,689
2019	12,698,888	9,766,149	6,485,053	9,691,611	3,933,330	3,368,853	6,857,129	11,488,248	1,758,319	11,964,189
2020	14,690,231	9,534,388	6,040,730	7,682,866	3,353,761	4,678,891	4,683,686	8,708,723	1,060,976	6,200,434
Total 2016–2020	60,189,119	46,929,346	28,940,554	31,988,134	18,888,868	16,297,744	38,794,870	48,202,003	10,005,981	43,705,140

\*Amounts in Canadian dollars.

## Discussion

This is the first analysis of payments in Canada made by drug companies to HCOs and HCPs. The 10 companies that reported have collectively spent almost \$345 million in payments to HCPs, HCOs and HCPs' travel from 2016 to 2020, inclusive of the period. Four individual companies spent over \$10 million in some years for all three categories of payments. Payments to HCPs was the largest category in each year except for 2020. Analysis of who the recipients of payments were, what drugs the payments were related to and the association of prescribing behaviour as a result of the payments is not possible.

While industry disclosure of payments in Canada lacks both transparency and comprehensiveness, the situation in other countries is decidedly uneven. As documented by Mulinari et al. (2021), reporting in Europe is a mixture of self-regulatory industry reporting in some countries and public regulation in others, sometimes in combination with self-regulation (e.g., Finland and Spain). In some countries, such as the UK and Ireland, there are centralized databases, whereas in others disclosures are published as PDFs on individual company websites, making it very difficult to comprehend the entire national picture. In these countries (e.g., Germany, Italy, Sweden and Switzerland), it is necessary for researchers to download reports individually and then use custom-made scripts to extract and combine data. In many European countries, physicians can opt out of having their individual payments released, leading to a situation where the rate of individualized disclosure was less than 20% in Germany compared to about 60% in Ireland and the UK, 70% in Italy and Switzerland and 80% in Sweden (Mulinari et al. 2021). Except in countries where reporting is mandated by law – for example, France and Portugal – self-regulation means that companies that are not part of the main industry association are not necessarily required to report payments.

At one point, Australia was a leader in transparently reporting on industry payments. Beginning in 2007, Medicines Australia's Code of Conduct required member companies to publicly report their spending on educational events for HCPs, including spending for "educational" events attended by HCPs from many disciplines. "In 2015, after pressure from the Australian Competition and Consumer Commission, Medicines Australia amended its Code to require public reporting of the amounts paid to individual, identified HCPs. At the same time, however, the requirements to report on spending for educational events were watered down" (Parker et al. 2019), meaning that expenditures on food and beverages, which constituted over a third of previously reported spending on HCPs, were hidden.

The strongest and most comprehensive reporting requirements are those under the *Physician Payments Sunshine Act* (S.301 – *Physician Payments Sunshine Act of 2009*) in the US. The Act mandates that pharmaceutical and medical device companies report gifts or any other transfer of value of US\$10 or greater to physicians and teaching hospitals to the Open Payments database maintained by the Centers for Medicare and Medicaid Services (Lexchin and Fugh-Berman 2021). The types of payments that need to be reported include consulting fees, honoraria, gifts, entertainment, food and beverages, travel and lodging, education,

research, charitable contributions, royalties or licenses, ownership or investment interests, speakers' fees and grants. Importantly, the value of samples is missing from the Open Payments database (in 2016, samples were valued at \$13.5 billion [Schwartz and Woloshin, 2019]), and currently payments to HCPs other than doctors do not have to be reported (Grundy et al. 2018).

The combination of data from the Open Payments database and prescribing information from Medicare Part D, the plan that partially covers the cost of outpatient prescription drugs for US citizens who are eligible for Medicare (Medicare.gov n.d.), has revealed that industry gifts (including meals and speaking, consulting and other financial opportunities) influence physicians' therapeutic choices. Meals and other small gifts increased prescriptions for targeted drugs compared to competing drugs, in four different drug classes (De Jong et al. 2016). A large study of over 150,000 physicians found that those who received any gifts – even a few meals – from drug or device manufacturers prescribed a higher percentage of branded drugs and devices, overall, than physicians who received no gifts (Ornstein et al. 2016). Industry payments to physicians are associated with increased prescribing of branded drugs including expensive branded drugs with uncertain medical benefit (Sharma et al. 2018), and reduced prescribing of generic drugs (Fleischman et al. 2016). Marketing of opioid products to physicians was associated with increased opioid prescribing (Robbins et al. 2019; Zezza and Bachhuber 2018).

There are limitations to this study. There was no way to verify the accuracy of the information on companies' websites. The amounts reported may not be reflective of non-IMC members or other members of IMC.

## Conclusion

IMC member companies spend considerable sums annually on payments to HCPs and HCOs, but the limited nature of the disclosures restricts the analysis of how that money is being spent and who is receiving it. At a minimum, IMC should make disclosures by all of its members mandatory and more detailed by requiring recipients (individuals and organizations) to be named, the purpose of the donation and the types of HCPs receiving the payments (e.g., doctors, nurses, respiratory technicians, etc.) to be identified and any related product to be named. Furthermore, in order to make it easier for researchers and others to analyze the data, IMC should collate and post disclosures on a central website. However, these reforms by IMC would still be half measures because they would not apply to many of the companies that are not part of its membership. Before the Ontario election in 2019, the government was finalizing regulations for Bill 160, which required that all drug and device manufacturers that provided a "transfer of value" to all individuals who were members of a regulated healthcare profession, HCOs and patient groups report those transfers to a public registry (Hoskins 2017). The legislative process stopped when the government changed post-election. This type of legislation should be picked up at the federal level to improve the transparency of company payments and to allow for an analysis of their effects.

## Conflicts of Interest

From 2017 to 2020, Joel Lexchin received payments for being on a panel at the American Diabetes Association, for talks at the Toronto Reference Library, for writing a brief in an action for the side-effects of a drug for Michael F. Smith, lawyer, and a second brief on the role of promotion in generating prescriptions for Goodmans LLP. Lexchin also received payments from the Canadian Institutes of Health Research (CIHR) for presenting at a workshop on conflict of interest in clinical practice guidelines. He is currently a member of research groups that are receiving money from the CIHR and the Australian National Health and Medical Research Council. He is a member of the Foundation Board of Health Action International and the Board of Canadian Doctors for Medicare. He receives royalties from the University of Toronto Press and James Lorimer & Co. Ltd. for books he has written.

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